

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2008-94-S**

***ORIGINAL***

IN RE:

Application of CLS Utilities, LLC                     )  
For Approval of the Agreement,                     )  
Bond, Operation, Monthly Rate and                     )  
Service Area For the Sewage Pump                     )  
Station in the Harvest Glen                     )  
Subdivision in Greenville County,                     )  
South Carolina                     )  
\_\_\_\_\_)

**SETTLEMENT  
AGREEMENT**

This Settlement Agreement is made by and among CLS Utilities, LLC (“CLS”), and the Office of Regulatory Staff of South Carolina (“ORS”), (hereinafter collectively referred to as the “Parties” or sometimes individually as a “Party”).

WHEREAS, on March 6, 2008, CLS filed with the Public Service Commission of South Carolina (“Commission”) an Application for Approval of the Agreement, Bond, Operation, Monthly Rate and Service area for the sewage pump station in the Harvest Glen Subdivision in Greenville County, South Carolina (“Application”);

WHEREAS, the Parties to this Settlement Agreement are the parties of record in the above-captioned docket and there are no other parties of record in the above-captioned proceeding;

WHEREAS, the Parties have engaged in discussions to determine whether a settlement of this proceeding would be in their best interests;

WHEREAS, following those discussions the Parties have each determined that their interests and the public interest would be best served by settling the above-captioned case under the terms and conditions set forth below:

1. The Parties agree that the monthly rate of \$3,520.25, as contracted for by Agreement between CLS and the Harvest Glen Homeowners Association ("HOA"), the sole customer of CLS, is fair and reasonable and allows CLS to provide its customer with adequate sewage pump service and allows Applicant a fair and reasonable operating margin.

2. The Company and ORS recognize the value of resolving this proceeding by settlement rather than by litigation and, therefore stipulate and agree for the purposes of settlement in this case that an operating margin of 12.51% is just and reasonable under the specific circumstances of this case, including the stipulated rate and projected annual operating and maintenance expenses of CLS.

3. CLS will only be responsible for the operation and maintenance of the Wastewater Pump Station and force main serving Harvest Glen. The sole customer of CLS will be the Harvest Glen HOA. By agreement between CLS and the HOA, CLS will bill the HOA a set flat monthly fee of \$3,520.25. The projected annual operating and maintenance expenses for the operation of the pump station in Harvest Glen have been determined through a Wastewater Rate Study prepared for CLS by Alliance Consulting Engineers which was attached as Exhibit A to the Application in this matter and reviewed by ORS. That Study is a part of the record in this matter and is herewith included in this Agreement by reference.

4. CLS agrees to keep its books and records according to the NARUC Uniform System of Accounts as required by the Commission's rules and regulations.

5. The Parties agree to stipulate into the record before the Commission the pre-filed direct testimonies of CLS witnesses James Caldwell and C. Douglas Clary, Jr., P.E. without objection or cross-examination.

6. The Parties agree to stipulate into the record the pre-filed direct and settlement testimony of ORS witness Elizabeth Ford without objection or cross-examination. The Parties agree that no evidence will be offered in the proceeding by the Parties other than the aforementioned pre-filed testimony and exhibits and this Agreement.

7. The Parties agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission as a fair, reasonable and full resolution of the above-captioned proceeding. The Parties agree to use reasonable efforts to defend and support any Commission Order issued approving this Settlement Agreement and the terms and conditions contained herein.

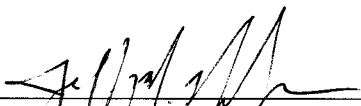
8. The Parties agree that by signing this Settlement Agreement, it will not constrain, inhibit or impair in any way their arguments or positions they may choose to make in future Commission proceedings. If the Commission should decline to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement without penalty.

9. This Settlement Agreement shall be interpreted according to South Carolina law.

10. Each Party acknowledges its consent and agreement to this Settlement Agreement by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of this Settlement Agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement.

WE AGREE:

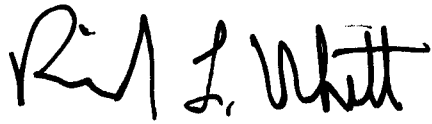
**Representing and binding the Office of Regulatory Staff:**

  
\_\_\_\_\_  
Jeffrey M. Nelson, Esquire  
Office of Regulatory Staff  
1441 Main Street, Suite 300  
Columbia, SC 29201  
Phone: (803) 737-0823  
Fax: (803) 737-0800  
Email: shudson@regstaff.sc.gov

DATE: June 11, 2008

WE AGREE:

**Representing and binding CLS Utilities, LLC**

A handwritten signature in black ink, appearing to read "Richard L. Whitt".

DATE: June 9<sup>th</sup>, 2008

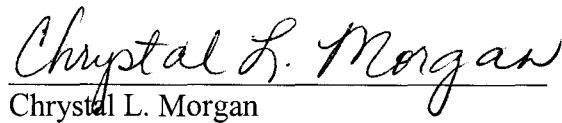
Richard L. Whitt, Esquire  
Attorney for CLS Utilities, LLC  
508 Hampton Street, Suite 300  
Columbia, SC 29201  
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Fax: (803) 252-3679

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2008-94-S**

IN RE:	)	
Application of CLS Utilities, LLC for Approval	)	<b>CERTIFICATE OF</b>
Of The Agreement, Bond, Operation, Monthly	)	<b>SERVICE</b>
Rate and Service Area for the Sewage Pump )	)	
Station in the Harvest Glen Subdivision in	)	
Greenville County, South Carolina	)	

This is to certify that I, Chrystal L. Morgan, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **SETTLEMENT AGREEMENT** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Richard L. Whitt, Esquire  
Austin & Rogers, P.A.  
Post Office Box 11716  
Columbia, SC, 29201

  
Chrystal L. Morgan

June 11, 2008  
Columbia, South Carolina